



Chapter 6 **Neighborhood Commercial**

Cluster 9 Asset Profile

Several types of neighborhood commercial districts are located within Cluster 9 which are common with other districts in the City of Detroit. Each district was constructed in response to shopper's needs during the era in which it was built: major commercial districts, neighborhood serving commercial districts, newer strip malls and neighborhood business.

Major Commercial Districts

Located at principal arterial roads, major districts developed prior to the suburban shopping mall phenomenon started in the mid-1950s. Major commercial districts were developed at the major crossroads to service the market area of several neighborhoods. In Cluster 9, the Grand River/Greenfield shopping district was built in the 1930s, and was anchored by three major department stores: Crowley's, Montgomery Ward and Federal. Numerous other retailers located along Grand River Avenue including national and local clothiers, drug store chains and shoe stores. Another fairly major center was located at Six Mile and Schaefer where the Mercury Theater and Federal's Department Store were anchors. At one time, these shopping districts serviced a market area of more than 250,000 persons in northwest Detroit.

The construction of the Northland Shopping Mall in 1954 stripped away a large share of the consumer demand at the local level, although the district survived well into the late 1960s. The attraction of a mall's interior climate-controlled shopping, major comparison selections, and a secure environment reduced the ability of the neighborhood district to effectively compete. As major anchors relocated to the malls, a downward spiral was begun. Fewer stores meant fewer shoppers, forcing smaller retailers to either relocate at larger malls, or decline through diminishing trade in the neighborhoods.

Neighborhood Serving Commercial Districts

These districts are found along every major street of Detroit's grid pattern, north, south, east and west. These districts were built along bus lines and within walking distance of a large enough market area that minimal parking was provided at each business. Typically, the character of older strip development is that of one and two story storefronts built between the 1920s and 1950s when the neighborhoods were developed. Larger buildings which once housed dime-stores and hardware stores are also found in these districts.

The most common structures, however, were the buildings which housed a variety of professional uses (such as doctors, dentists, attorneys and real estate offices), services

(shoe repair, dry cleaners, and hair salons), and small retail shops (bakeries, meat markets, specialty shops, and drug stores). In larger districts, utility offices, banks, and post offices were also located within the district.

Abandonment of these types of neighborhood commercial buildings have occurred city-wide, endemic of changing consumer patterns, few business successions in family businesses, and insufficient start-up capital for new entrepreneurs to take over existing businesses. The latest trend of reducing or consolidating bank and utility offices have also left behind vacant surplus buildings. In most cases, buildings of sound and attractive construction are deteriorating due to abandonment or inadequate maintenance. In other cases, churches have adopted commercial frontages, creating some friction among neighbors who would prefer commercial uses in buildings. Over-saturation of hair and nail businesses has also reduced the mix of businesses in many areas.

Examples of neighborhood servicing commercial districts are found along every major east/west road, including Seven Mile, McNichols, Fenkell and Schoolcraft; and among north/south streets at Greenfield, Meyers, Schaefer, Wyoming and Livernois.

Newer Strip Malls

Newer strip malls are beginning to spring up along major thoroughfares where a large enough site can be assembled to satisfy several businesses in a cluster, imitating the suburban model. The most common types of businesses located in these strip malls are fast food chains, major drug/beauty stores, and party stores. Some strip malls are dedicated to auto service only, and will contain oil change, tire sales, and combination muffler/brake/transmission shops all in one location.

A fairly large development has been constructed at the Southfield freeway service drive at Outer Drive on a former institutional use site. This development, anchored by a Farmer Jack grocery store, includes a family bookstore, pizzeria, and several other small businesses. Henry Ford Health Systems also operates a large facility on the site. Other small strip malls have been developed on Livernois and at the Fenkell/Wyoming intersection near the Lodge freeway intersection.

Neighborhood Businesses

A familiar type of business found in older neighborhoods is the corner store or pub that was built to service several blocks of houses. These mom-and-pop shops were built strictly for convenience, unable to compete with the lower prices of goods at the supermarket, but able to provide the bread, milk, and snacks to satisfy quick errands by neighborhood residents. Children, on their way home from school, provided a large market share of business. Since a fairly large density of housing and population was required to maintain a shop of this type, they were most frequently located in neighborhoods with large population base. Although a rapidly vanishing type of commercial business, some are still located near schools or other activity centers.

Cluster 9 Total Household Expenditures

Using 1990 Census data, the total estimated household spending power of Cluster 9 residents can be calculated to illustrate demand for goods and services. As shown in the following chart, 36,168 households with an average median income of \$30,791 resided in the Cluster 9 district in 1990. Multiplying the income by the total number of households, an estimate of nearly \$600 million is available for expenditures after taxes, housing costs and savings have been calculated. It is fairly safe to surmise that the spending power of Cluster 9 residents is being drawn away from the area due to the relatively low share of viable businesses in the area and major outcropping of retail outlets in nearby suburbs. More than \$132 million annual sales in food, both away from home (restaurants or fast-food) and groceries would generate more than

339,000 square feet of grocery stores and restaurants based on Cluster 9 households alone. These expenditures could support more than 20 major grocery stores and 35 restaurants.

| Cluster 9 - Total Household Expenditures | | | | | |
|--|--------------|--|-----------|--------------------|---------------|
| Total Households | | | | | 31,168 |
| Median Household Income | | | | \$ | 30,791 |
| Total Income | | | | \$ | 1,113,648,888 |
| Less Taxes and Savings (15%) | | | | \$ | 167,047,333 |
| Income Available for Expenditure | | | | \$ | 946,601,555 |
| Expenditure Category | Percent | | Amount | | |
| Food and Alcohol | 14.0 % | | \$ | 132,524,218 | |
| Housing | 32.4 % | | \$ | 306,698,904 | |
| Apparel and Services | 6.2 % | | \$ | 58,689,296 | |
| Transportation | 21.9 % | | \$ | 207,305,741 | |
| Health Care | 3.8 % | | \$ | 35,970,859 | |
| Entertainment | 4.4 % | | \$ | 41,650,468 | |
| Personal Care | 1.4 % | | \$ | 13,252,422 | |
| Reading Materials | 0.5 % | | \$ | 4,733,008 | |
| Education | 0.9 % | | \$ | 8,519,414 | |
| Tobacco | 0.9 % | | \$ | 8,519,414 | |
| Miscellaneous | 2.4 % | | \$ | 22,718,437 | |
| Cash Contributions | 2.6 % | | \$ | 24,611,640 | |
| Personal Insurance and Pensions | 8.6 % | | \$ | 81,407,734 | |
| Total | 100 % | | \$ | 946,601,555 | |

Competing Regional Market

As shown in the chart above, Cluster 9 residents have an enormous spending potential which is being spent outside of the area. The closest shopping opportunities for residents in Cluster 9 are located within a 5 to 8 mile radius of the Cluster in the Southfield, Oak Park and Dearborn communities. These are easily accessed by auto via the Southfield and Lodge freeways. Households without use of automobiles can reach Southfield shopping at Northland via the Greenfield DDOT bus line.

Northland Mall holds the honor of being the first suburban shopping mall built in the nation - back in 1954 when it broke ground in the largely rural community of Southfield. Anchored by Hudson's Department Store, it was built to help ease the extreme congestion caused by shoppers from the 1.5 million population base of the city using the same downtown store. The new mall, however, triggered the change in consumer expectations in the shopping experience - which caused the desertion of neighborhood shopping centers in favor of the newer, expansive shopping centers. Also, the suburban experience was reinforced through ancillary commercial, residential and office development which was built around the shopping center. Today, the Northland Center contains more than 1,700,000 square feet of space, anchored by Hudson's, Montgomery Ward, TJ Maxx and Target.

Fairlane Towncenter is located in Dearborn, built on vast open parcels held by the Ford Motor Land Development Company adjacent to the Southfield Freeway between Ford Road and

Michigan Avenue. The mall was built in the 1970s during a major new construction period by developer Alfred Taubman, at which time sister malls in Novi and Sterling Heights were built. The mall is anchored by high end luxury tenants, including Hudsons, Lord & Taylor and Saks Fifth Avenue.

Building Conditions Survey

A survey was completed in August and September 1997 to assess existing commercial building conditions. Recruited stakeholders were trained to determine the following four levels of building conditions.

Reinforce: Stable condition

Commercial area where all of the structures remain and are in good condition; where there are few, if any, unoccupied or abandoned structures; and where some structures may require minor repair.

Revitalize: Beginning signs of decline

Commercial areas where no more than ¼ of the block front is occupied by vacant lots or buildings that require demolition because of substantial deterioration.

Revitalize: Advanced signs of decline

Commercial areas where between ¼ and ½ of the block front is occupied by vacant lots or buildings that require demolition because of substantial deterioration.

Restructure: Major signs of deterioration

Commercial areas where the majority of the block front (well over ½) is occupied by vacant lots or buildings that require demolition because of substantial deterioration.

Ratings were compiled by block face. Stable conditions were observed on Grand River (east of Greenfield), on Greenfield (south of Grand River), and along both Eight Mile Road and the Lodge Service Drive. Beginning signs of decline were generally scattered along Fenkell, Greenfield Road, Wyoming (south of Fenkell), Grand River (east of Greenfield), and Schaefer (south of Pilgrim). Advanced signs of decline and major signs of deterioration are concentrated Livernois, Schaefer, and Wyoming (north of the Lodge), in addition to small pockets spread out along the Lodge Service Drive, Grand River, Fenkell, McNichols, Seven Mile, and Schoolcraft. The results are graphically depicted in Map A15, Neighborhood Commercial Building Conditions.

Primary Commercial Issues

The following information was assembled based on the focus group discussions that focussed on neighborhood commercial facilities. These recommendations are graphically depicted in Map A16, Potential Neighborhood Commercial Reinvestment Areas.

- *Quality and location of goods and services.*
The best quality shopping center is located at the new Outer Drive College Park which contains:
 - Farmer Jack
 - Blockbuster Video
 - Apple Bookstore
 - Ford Hospital Health System clinic
 - Little Caesar carry-out pizzeria
 - Beauty Supply outlet

- Goods and services under-represented and over-represented within the cluster:

Over-represented

liquor stores, party stores
beauty shops
store-front churches
small (under-capitalized) businesses
auto repair shops
gas stations

Under-represented

hardware stores
national grocery stores
national banks
major department
appliance stores
strip malls
youth centers

- Potential locations for community level retail centers:

Location

Grand River/Greenfield
Six Mile/Schaefer
Grand River/Southfield
Lyndon/Meyers

Reason

existing infrastructure
large employee base
freeway
service to community

- Residents need to be more proactive with recruiting the types of new businesses they most desire in commercial districts. Business associations could work with neighborhood organizations to assist with recruitment and improvement strategies. Several methods for attracting new businesses to Cluster 9, and for reducing the number of undesirable businesses are given in the commercial reinvestment recommendations.
- Zoning regulations are not utilized to reduce number of undesirable businesses.
- A Resource Center with professional staff would be useful to provide information and training to interested business owners seeking low-interest loans, business start-up assistance, business planning and networking assistance.
- Barriers to commercial development include issues such as current zoning regulation and perceived and actual crime:

Barriers

- vacant buildings and houses erode confidence in retail potential.
- on-street parking insufficient for businesses without parking lots.
- vacant land and litter creates a negative image of the neighborhood.
- loitering in front of businesses create negative perception of area or business.
- public transportation is not dependable to some locations.
- City services - such as street lights - creates a safety hazard and projects the wrong image of the areas.

Priority Neighborhood Commercial Issues

- Promote existing commercial districts and the rehabilitation of existing buildings.
- Promote a quality commercial district that includes a variety of uses i.e. professional services, recreational uses, commercial and health care.

- Enforce existing zoning regulations to encourage mixed-use; a variety of businesses - which reflect the stability of neighborhoods behind.
- Plan for the stability of the commercial district through commercial district organizations which interact with the neighborhoods and encourage involvement.
- Encourage small business development through technical assistance.
- Develop employment and training opportunities related to commercial expansion.
- Create commercial districts which provide opportunities for community interaction and create community identity as a vital area.